
MASTER POWER SUPPLY AGREEMENT

DATED AS OF _____, 2006

BY AND BETWEEN _____ COMPANY AND

[SUPPLIER]

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MASTER POWER SUPPLY AGREEMENT

This **MASTER POWER SUPPLY AGREEMENT** is dated this 9th day of May, 2006 and is by and between _____ (“NSTAR Electric”), with a principal place of business at 800 Boylston Street, Boston, MA 02199, and _____ (“Supplier”) with a principal place of business at _____.

ARTICLE 1. BASIC UNDERSTANDINGS

Supplier and NSTAR Electric have agreed to execute this Master Agreement in order to establish the terms of Supplier’s provision and sale of, and NSTAR Electric’s acceptance and purchase of, Default Supply Service in accordance with the applicable Confirmation.

This Master Power Supply Agreement, together with the Appendices and any written supplements hereto, and any designated Confirmation, or collateral, credit support or margin agreement or similar arrangement between the Parties regarding the Transactions, shall be referred to as the “Agreement” and constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreements, written or oral, between the Parties concerning such Transactions.

ARTICLE 2. DEFINITIONS

The following words and terms shall be understood to have the following meanings when used in this Agreement. This Agreement includes certain capitalized terms that are not explicitly defined herein. Such capitalized terms shall have the meanings specified in the NEPOOL Agreement and NEPOOL Rules or such successor agreement and rules including those adopted by the RTO, as the same are in effect from time to time, which meanings are incorporated herein by reference and made a part hereof. In the event of any inconsistency between a definition contained herein and a definition contained in either the NEPOOL Agreement or the NEPOOL Rules or such successor agreement and rules, the definition in this Agreement shall control for purposes of this Agreement.

Additional Assurance Amount is defined in Section 7.3.

Affiliate – With respect to any Party, a person or entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Party. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having voting power.

Business Day – A day ending at 5:00 p.m. Eastern Prevailing Time, other than Saturday, Sunday and any day which is a legal holiday or a day designated as a holiday by the NERC or any successor organization thereto; provided, that, with respect to any payment due hereunder, a “Business Day” shall mean a day ending at 5:00 p.m. Eastern Prevailing Time, other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Boston, Massachusetts or New York, New York are authorized by law or other governmental action to close; and, provided, further, that with respect to any report to be delivered pursuant to Section 3.2 or Section 6.3 hereof, a “Business Day” shall be a day other than Saturday, Sunday and any day which is a legal holiday or a day designated as a holiday by the ISO.

Claims – All third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity under this Agreement, and the resulting losses, damages, expenses, reasonable attorneys’ fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

Commercial Customer Group – NSTAR Electric’s small and medium sized commercial and industrial customers in the following retail rate classes: [____], each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. The Commercial Customer Group shall not include any customer that is added to any of the foregoing rate classes during the applicable Delivery Term as a result of a reclassification of customers, merger, acquisition or divestiture by NSTAR Electric or its Affiliates.

Commission – Federal Energy Regulatory Commission or its successor.

Confidential Information – Certain terms of this Agreement, including the provisions of Articles 5, 7 and 8, any Confirmations subsequently executed by the Parties, and any information regarding individual NSTAR Electric customers, the terms of any security instrument provided by a Party hereto, the identity of Supplier and Supplier Guarantor and such other terms as the Parties agree shall remain confidential. Notwithstanding the foregoing, the following shall not constitute Confidential Information:

- (a) Information which was already in a Party’s possession prior to its receipt from another Party and not known to be subject to a requirement of confidentiality;
- (b) Information which is obtained from a third person who, insofar as is known to the Receiving Party, is not prohibited from transmitting the information to the Receiving Party by a contractual, legal or fiduciary obligation to the Receiving Party; and
- (c) Information which is or becomes publicly available through no fault of the Party.

Confirmation – A confirmation that is mutually agreed to and executed by the Parties, substantially in the form set forth in Appendix A or in a form otherwise agreed to by the Parties, such document to serve as a supplement or modification of this Agreement with respect to a specific Transaction.

Contract Rate – The price or prices to be paid by NSTAR Electric to Supplier for purchase of the Default Supply Service, as specified in the applicable Confirmation.

Contract Value is defined in Section 7.3.

Customer Groups – NSTAR Electric’s customers who are to receive the Default Supply Service in the Commercial Customer Group, the Industrial Customer Group and/or the Residential Customer Group in each Load Zone corresponding to each of the foregoing Customer Groups as specified on the Confirmation for the applicable Transaction.

Customers – Those customers receiving Default Service that comprise the Customer Groups, as specified on the Confirmation for the applicable Transaction.

Default Service – Default Supply Service supplied to Customers under the Default Service Tariff.

Default Service Tariff – NSTAR Electric’s Tariff for Default Service, M.D.T.E. No. ____, as it may be amended from time to time and approved by the Department.

Default Supply Service – The Products to be sold and supplied by Supplier and purchased and received by NSTAR Electric as may be modified in the applicable Confirmation.

Defaulting Party is defined in Section 8.1.

Delivered Energy – The quantity of Energy, expressed in MWhs, provided by Supplier pursuant to a Transaction measured at the Delivery Points. This quantity shall be the quantity of Energy reported to the ISO by NSTAR Electric and/or its agent for each Load Asset, with such quantity being determined in

accordance with Section 6.3 hereof. Such quantity includes transmission and distribution losses on NSTAR Electric's respective systems from the Delivery Point to the meters of each customer in each Customer Group and Load Zone taking service pursuant to the Default Service Tariff. PTF losses calculated by the ISO shall not be included in the calculation of Delivered Energy.

Delivery Points – The point or points at which the Default Supply Service will be delivered and received, as specified on the Confirmation for the applicable Transaction.

Delivery Term – The period(s) set forth on a Confirmation for a specific Transaction for the respective Default Supply Service designations set forth therein.

Demanding Party is defined in Section 7.2.

Department – Massachusetts Department of Telecommunications and Energy or its successor.

Disclosing Party is defined in Article 21.

Early Termination Date is defined in Section 8.2.

Effective Date means May 8, 2006.

Event of Default is defined in Section 8.1.

Estimation Process is defined in Section 6.3.

Indemnifying Party is defined in Section 10.2.

Industrial Customer Group – means NSTAR Electric's large commercial and industrial customers in the following retail classes: ___ and ___, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. The Industrial Customer Group shall not include any customer that is added to any of the foregoing rate classes during the applicable Delivery Term as a result of a reclassification of customers, merger, acquisition or divestiture by NSTAR Electric or its Affiliates.

ISO – The independent system operator established in accordance with the NEPOOL Agreement and the Interim Independent System Operator Agreement as amended, superseded or restated from time to time, or the RTO.

KWh – Kilowatt-hour.

Load Zone – Reliability Regions resulting from implementation of Market Rule 1.

Locational Forward Reserves – any methodology or system, whether implemented in the form of a charge assessed upon, or a product required to be supplied by, an owner of a Load Asset in association with the non-energy locational value of forward reserves within the NEPOOL region.

Locational ICAP – any methodology or system, whether implemented in the form of a charge assessed upon, or a product required to be supplied by, an owner of a Load Asset in association with the non-energy locational value of generation resources within the NEPOOL region.

MA DOER means the Massachusetts Department of Energy Resources and its successors.

Market Rules and Procedures – NEPOOL Market Rule 1, the NEPOOL Manuals, and procedures adopted by the ISO or RTO and/or members of NEPOOL, as may be amended from time to

time, and as administered by the ISO or RTO to govern the operation of the NEPOOL markets for Energy, reserves and capability.

Monthly Payment Amount – The total amount payable each calendar month by NSTAR Electric as set forth in Section 5.1.

Moody's – Moody's Investors Service, Inc. and its successors.

MWh – Megawatt-hour.

NE-GIS – The New England Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity consumed within New England.

NE-GIS Certificates – An electronic record produced by the NE-GIS that identifies the relevant generation attributes of each MWh accounted for in the NE-GIS from a new renewable generation unit that complies with the Renewable Energy Portfolio Standards promulgated at 225 CMR 14.00 et seq., or any successor regulation thereto.

NEPOOL – The New England Power Pool and any successor organization including the RTO.

NEPOOL Agreement – The Second Amended and Restated New England Power Pool Agreement dated as of February 1, 2005, as amended and/or restated from time to time.

NEPOOL Rules – All rules, tariffs, and procedures adopted by NEPOOL, the ISO, or the RTO, as such rules may be amended from time to time, including but not limited to, the Market Rules and Procedures, the NEPOOL Operating Procedures, the NEPOOL Agreement and the Interim Independent System Operator Agreement between NEPOOL and the ISO and all notices, Procedures or Administrative Procedures published by the ISO via its web site and/or by its e-mail distribution to appropriate NEPOOL Participants and/or NEPOOL Functional Committees, as amended, superseded or restated from time to time.

NERC – The North American Electric Reliability Council.

Non-Defaulting Party - as defined in Section 8.2.

Party(ies) – NSTAR Electric or Supplier or any of them, as the context requires.

Prime Rate – The lesser of (i) the rate published from time to time in the “Money Rates” section of The Wall Street Journal, as the prime-lending rate, and (ii) the maximum rate permitted by applicable law.

Product – All products required to satisfy all requirements to provide Default Service including, without limitation, capacity (including but not limited to Installed Capability and/ or Unforced Capacity), if applicable, Locational ICAP, Energy (including but not limited to Energy which satisfies Renewable Energy Portfolio Standards as provided in Article 4, Section 4.2), Forward Reserves, Operating Reserves (including but not limited to Ten-Minute Spinning, Ten-Minute Non-Spinning, Thirty Minute Operating Reserves, Replacement Reserves, Locational Forward Reserves, if applicable, Regulation (including but not limited to Automatic Generation Control), and Energy Uplift (including but not limited to VAR support, the variable component of Daily RMR Resource expenses and the variable component of RMR Agreements), Congestion Components of the LMP, Emergency Energy, NE-GIS administrative charges (load-weighted to reflect the proportion of the Default Supply Service), ISO Tariff Schedule Nos. 2 and 3 charges, , voltage support, and any other requirements, products, expenses or charges imposed or assessed by NEPOOL or the ISO allocated on the basis of Ownership Shares of Load Assets (including but not

limited to those allocated on the basis of Ownership Shares of Load Assets, Load Obligations and/or Load Obligation Deviations (including but not limited to Real-Time, Day-Ahead, and/or Adjusted)); provided, however, that, notwithstanding anything to the contrary in this Agreement, including this definition of "Product", the Parties acknowledge and agree that (i) Supplier's obligation shall be to provide, supply and assume the obligation for any and all products, costs and expenses allocated by NEPOOL or the ISO to Electrical Load in connection with Default Supply Service, and (ii) NSTAR Electric has and shall retain any and all obligations, costs and expenses allocated by NEPOOL or the ISO to Network Load. Supplier shall be responsible for all transmission and distribution losses associated with delivery of Energy from the Delivery Points to the ultimate customer's meters, as more particularly described in Section 6.2.

PTF – Facilities categorized as Pool Transmission Facilities under the NEPOOL Agreement.

Qualified Bank – A major U.S. commercial bank or the U.S. branch office of a major foreign bank, in either case, whose senior unsecured debt obligations have been rated at least (A) "A-" by S&P and "A3" by Moody's, if such entity is rated by both S&P and Moody's or (B) "A-" by S&P or "A3" by Moody's, if such entity is rated by either S&P or Moody's but not both.

Registration Letter is defined in Section 6.4.

Renewable Energy Portfolio Standards – The regulations (found as of the date of this Agreement at 225 CMR 14.00) promulgated pursuant to M.G.L. c. 25A, § 11F that requires all retail electricity suppliers in Massachusetts to provide a minimum percentage of electricity from certain renewable energy generating resources.

Replacement Price – The price at which NSTAR Electric, acting in a commercially reasonable manner, purchases at the Delivery Points replacement Product for any Product Specified in a Transaction not delivered by Supplier in accordance with this Agreement, plus: (i) costs reasonably incurred by NSTAR Electric in purchasing such replacement Product and (ii) additional transmission charges, if any, reasonably incurred by NSTAR Electric to the Delivery Points, if applicable or, absent any such purchase, the market price at the Delivery Points for such Product not delivered as determined by NSTAR Electric in a commercially reasonable manner, which may be a market clearing price for such Product; provided, however, in no event shall NSTAR Electric be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Supplier's costs.

Replacement Value – If the Supplier is the Triggering Entity, such term shall have the meaning set forth in Section 7.3(a), and if NSTAR Electric is the Triggering Entity, such term shall have the meaning set forth in Section 7.3(b).

Residential Customer Group – NSTAR Electric's residential customers in the following retail rate classes: [____], each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristic of the predecessor rate schedule. The Residential Customer Group shall not include any customer that is added to any of the foregoing rate classes during the applicable Delivery Term as a result of a reclassification of customers, merger, acquisition or divestiture by NSTAR Electric or its Affiliates.

Retail Affiliate is defined in Section 14.4.

RMR Agreement – The form of agreement set forth in the NEPOOL Rules.

RPS Requirement – NE-GIS Certificates representing the number of MWhs calculated as the product of (a) Delivered Energy (grossed up for PTF losses) to the applicable Customer Group and Load Zone for a specific Transaction during the applicable Delivery Term, and (b) the rate set forth in the Confirmation for a specific Transaction. However, in no event shall the RPS Requirement exceed the amount of NE-GIS Certificates required for NSTAR Electric to satisfy its requirements under the

Renewable Energy Portfolio Standards for the portion of Default Supply Service being served under a Transaction.

RTO - for the purposes of this Agreement the RTO is deemed to be any successor organization to the ISO, as authorized by the Commission to exercise for New England the functions pursuant to the Commission's Order No. 2000 and the Commission's corresponding regulations or any subsequent orders or regulations of the Commission, or any successor organization.

Sales Price – The price at which Supplier, acting in a commercially reasonable manner, resells at the applicable Delivery Points a Product which NSTAR fails to take delivery of, which failure was not excused in accordance with this Agreement, less any (i) costs reasonably incurred by Supplier in reselling such Product, and (ii) additional transmission charges, if any, reasonably incurred by Supplier in delivering such Product to the third party purchasers, or absent any such resale, the market price at the Delivery Points for such Product as determined by Supplier in a commercially reasonable manner, which price may be a market clearing price for such Product; provided, however, in no event shall Supplier be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize the other NSTAR's costs.

S&P – Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) and its successors.

Service Forecast is defined in Section 7.3.

Settlement Amount is defined in Section 8.3

Supplier Guarantor – [____], its successors and permitted assigns under a guaranty delivered to NSTAR Electric in accordance with Section 7.1.

Term is defined in Section 3.1.

Terminated Transaction is defined in Section 8.2.

Transaction means a particular transaction agreed to by NSTAR Electric and the Supplier relating to the purchase and sale of Default Supply Service pursuant to this Agreement, as evidenced by the execution of a written Confirmation by NSTAR Electric and the Supplier setting forth the specific terms and conditions thereof.

Triggering Entity is defined in Section 7.2.

Trigger Event is defined in Section 7.2.

ARTICLE 3. TERM AND SERVICE PROVISIONS

Section 3.1 Term

The term of this Agreement (the "Term") shall commence on the Effective Date and shall remain in effect until terminated by either Party upon (thirty) 30 days' prior written notice unless earlier terminated in accordance with the provisions hereof; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Agreement that by its terms survives any such termination and, provided further, that this Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s), or such Transaction(s) have been terminated under Section 8.2 of this Agreement. The applicable provisions of this Agreement shall continue in effect in accordance with Section 23 and to the extent necessary to provide for final accounting, final billing, billing adjustments, resolution of any billing

disputes, settlement of obligations related to Renewable Energy Portfolio Standards, realization or liquidation of any collateral or other security, set-off, final payments, payments pertaining to liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect, or other such provisions that by their terms or operation survive the termination of this Agreement.

Section 3.2 Conditions Precedent

The obligations of NSTAR Electric and the Seller under this Agreement with respect to any Transaction having a Delivery Term of greater than twelve (12) months are subject to the fulfillment and satisfaction of the following conditions, which may only be waived (in whole or in part) in writing by NSTAR Electric: The issuance by the MDTE of an order (“Approval Order”) reasonably satisfactory to NSTAR Electric approving: (i) this Agreement, and (ii) the full recovery by NSTAR Electric of the Contract Rate from NSTAR Electric’s customers, which Approval Order shall have become final and non-appealable. Following receipt of such order, NSTAR Electric shall issue a written notice to the Seller stating the aforementioned condition has been satisfied, and stating the date for commencement of the Default Supply Service.

Section 3.3 Data Reporting

By 1:00 p.m. Eastern Prevailing Time of the second following Business Day after each day during the Delivery Term, NSTAR Electric and other applicable reporting entities will report to the ISO all of NSTAR Electric’s Load Assets, and NSTAR Electric will report to Supplier its estimated hourly load responsibility for the relevant Default Supply Service. Upon request by NSTAR Electric, Supplier shall provide NSTAR Electric with any and all ISO-generated reports and/or other data received by Supplier related to the Default Supply Service. Such information shall be provided electronically and at substantially the same frequency as received from the ISO.

NSTAR Electric shall use commercially reasonable efforts to provide Supplier, upon receipt of any EDI information indicating the cessation or commencement of service under the Default Service Tariff, such EDI information, other than customer name, address and account number. By 1:00 p.m. Eastern Prevailing Time of the second following Business Day after each day during the Delivery Term NSTAR Electric shall provide to Supplier a file containing the daily load, count, and UCAP tag contribution for each Load Asset.

ARTICLE 4. SALE AND PURCHASE

Section 4.1 Default Supply Service

With respect to each Transaction, Supplier shall sell and deliver to the applicable Delivery Points and NSTAR Electric shall purchase the applicable Default Supply Service during the applicable Delivery Term in accordance with this Agreement. Supplier understands that the Default Supply Service load requirements may change from time to time. Supplier's obligation to supply Default Supply Service requires Supplier to meet the hourly, daily and seasonal electricity load fluctuations associated with customer demand changes. Supplier will be responsible for forecasting its Default Supply Service load obligations on an hourly, daily, and monthly basis. Supplier is responsible for Default Supply Service regardless of changes in customer demand for any reason, including, but not limited to, daily load fluctuations, increased or decreased usage, demand-side management activities, extreme weather and similar events. Supplier's obligation hereunder to sell and provide the Default Supply Service shall not be conditioned upon the availability of any particular electric generating facilities, transmission facilities outside the PTF or power supply arrangements, whether owned by Supplier or third parties. Notwithstanding any other provision to the contrary in this Agreement, Supplier shall not be obligated to sell or deliver any Default Supply Service to NSTAR Electric for any additional load obligation resulting from any (a) changes to any rate class from such rate class as it exists as of the date a Transaction is entered into between Supplier and NSTAR (excepting a re-designation of the same rate class Supplier had been serving pursuant to the applicable Transaction), or (b) changes in NSTAR Electric's service area as it exists as of the date a Transaction is entered into between Supplier and NSTAR as a result of merger, acquisition, divestiture or otherwise (excepting a re-designation of the same Default Supply Service load Supplier had been serving pursuant to the applicable Transaction).

Section 4.2 NE-GIS Certificates

(a) Supplier agrees to provide NSTAR Electric with NE-GIS Certificates that qualify and meet the Renewable Energy Portfolio Standards in the amount of the RPS Requirement. Accordingly, within NE-GIS, Supplier will transfer and NSTAR Electric will accept NE-GIS Certificates to meet RPS Requirements and load obligations commensurate with the Default Supply Service provided.

(b) If Supplier has not transferred all or part of the NE-GIS Certificates required pursuant to clause (a) above (a "Shortfall") to the applicable certificate accounts of NSTAR Electric by the close of the last trading period for NE-GIS Certificates applicable to Default Supply Service, Supplier agrees to pay NSTAR Electric an amount equal to the product of (i) the number of MWhs which constitute the Shortfall, and (ii) the Alternative Compliance Rate set forth in the Renewable Energy Portfolio Standards.

(c) If Supplier has transferred more NE-GIS Certificates than required pursuant to clause (a) above to the NE-GIS accounts of NSTAR Electric, NSTAR Electric agrees to transfer to Supplier or Supplier's NE-GIS certificate account, as applicable and as soon as practicable thereafter, such excess amount of NE-GIS Certificates.

Section 4.3 Auction Revenue Rights (ARRs)

It is the intent of the Parties that, for each FTR Auction conducted by the ISO for month(s) wholly or partially within an applicable Delivery Term, those ARR's associated only with NSTAR Electric's Default Supply Service shall be assigned or paid to Supplier; provided, however, NSTAR Electric shall not be under any obligation to participate in any manner in any FTR Auction(s) in order to increase Auction Revenue Right quantities.

ARTICLE 5. MONTHLY PAYMENT AMOUNT AND BILLING

Section 5.1 Monthly Payment Amount

The Monthly Payment Amount for Default Supply Service payable by NSTAR Electric to Supplier in respect of each month during the Delivery Term shall be the sum of the product of: (A) the total Delivered Energy for each Customer Group, and Load Zone during such month, and (B) the Contract Rate applicable to such Customer Group, and Load Zone of NSTAR Electric for such month.

Section 5.2 Billing and Payment

(a) On or before the tenth (10th) day of each month during the Term (or if such day is not a Business Day, the next succeeding Business Day) of this Agreement, Supplier shall calculate the amount due and payable to Supplier pursuant to this Article 5 with respect to the immediately preceding month, and shall forward to NSTAR Electric an invoice, including such calculation, with sufficient detail for NSTAR Electric to verify the calculation and the total amount due and payable for the previous month. Because quantities determined under Section 6.3 are estimated, and subject to the reconciliation process described in Section 6.3(c), quantities used in calculations under this paragraph (a) shall be subject to adjustment, whether positive or negative, in subsequent invoices by application of the applicable Contract Rate to any such adjusted quantities. In the calculation referenced herein, Supplier agrees to utilize the load responsibility information provided by NSTAR Electric to the ISO, a copy of which shall be provided to Supplier.

(b) NSTAR Electric shall pay Supplier any amounts due and payable hereunder on or before the twentieth (20th) day after receipt of such invoice. All invoices shall be paid by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the payee thereof. If all or any part of any amount due and payable pursuant to paragraph (a) shall remain unpaid thereafter, interest shall thereafter accrue and be payable to Supplier on such unpaid amount at a rate per annum equal to the Prime Rate per annum in effect as of the date of such invoice; provided, however, that no interest shall accrue in respect of adjustment amounts calculated in accordance with Section 6.3(c).

(c) If a Party, in good faith, disputes an invoice, the disputing Party shall immediately notify the other Party of the basis for the dispute and pay the undisputed portion of such invoice no later than the due date. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Prime Rate per annum from and including the due date but excluding the date paid. Any overpayments shall be returned by the receiving Party upon request or deducted by the receiving Party from subsequent payments with interest accrued at the Prime Rate until the date paid or deducted from and including the date of such overpayment to (but excluding) the date repaid or deducted by the Party receiving such overpayment. The Parties shall only be entitled to dispute an invoice within twenty-four (24) calendar months from the date of issuance of such invoice.

Section 5.3 Payment Netting

If on any date, properly documented and established amounts would otherwise be payable to or by a Party to another Party, then, on such date, each such Party's obligation to make payment of any such amount shall be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one Party exceeds the aggregate amount that would otherwise have been payable by such other Party, then such obligation shall be replaced by an obligation of the Party owing the larger aggregate amount, which obligation shall be equal to the difference between the larger aggregate and the smaller aggregate amount. Any invoice pursuant to which a net payment is required to be made shall include sufficient detail to enable the Party required to make such payment to verify the calculation of such net payment.

Section 5.4 Taxes, Fees and Levies

Supplier shall be obligated to pay all present and future taxes, fees and levies, imposed on or associated with delivery of the Default Supply Service up to the Delivery Points. NSTAR Electric shall be obligated to pay all present and future taxes, fees and levies, imposed on or associated with such Default Supply Service at and from the Delivery Points. NSTAR Electric shall provide Supplier with any certificate reasonably required by Supplier to evidence such sales for resale. NSTAR Electric shall have the right to all credits, deductions and other benefits associated with taxes paid by NSTAR Electric or reimbursed to Supplier by NSTAR Electric as described herein.

ARTICLE 6. DELIVERY, LOSSES AND DETERMINATION AND REPORTING OF HOURLY LOADS

Section 6.1 Delivery

(a) The Energy component of Default Supply Service shall be delivered to NSTAR Electric in the form of three-phase sixty-hertz alternating current at the applicable Delivery Points. Except as provided in Section 6.2, Supplier shall be responsible for all transmission and distribution costs associated with the use of transmission systems outside of NEPOOL and any local point-to-point charges and distribution charges needed to deliver the power to the applicable Delivery Points. Supplier and NSTAR Electric shall enter into, and file with the ISO, all necessary load asset documents described in Section 6.4.

(b) NSTAR Electric will make arrangements for the transmission and distribution services necessary to deliver, at NSTAR Electric's expense, the Default Supply Service from the Delivery Point to each Customer Group and Load Zone, including NEPOOL Regional Network Service, which provides for transmission over PTF, and local network service from any applicable local transmission provider(s), which provides for transmission over non-PTF. NSTAR Electric will be billed by NEPOOL and the applicable local transmission provider(s) for these services. Supplier may use such Regional Network Service to deliver Default Supply Service to the applicable Delivery Point, and Supplier shall in no event be liable for such Regional Network Service costs.

Section 6.2 Losses

Supplier shall be responsible for all transmission and distribution losses associated with the delivery of the electricity component of Default Supply Service to the meters of NSTAR Electric's ultimate customers taking service pursuant to the Default Service Tariff. Supplier shall provide NSTAR Electric at the applicable Delivery Points with additional quantities of electricity and ancillary services to cover such losses from such Delivery Points to the meters of retail customers; the Monthly Payment Amount payable by NSTAR Electric shall be calculated with reference to the quantity of Delivered Energy measured at such Delivery Points. The quantities required for this purpose in each hour of each month during the Delivery Term period shall be determined in accordance with the Estimation Process and NEPOOL's and NSTAR Electric's procedures for loss determination.

Section 6.3 Determination and Reporting of Hourly Loads

(a) In accordance and compliance with the NEPOOL Rules, NSTAR Electric or its agent will estimate the total hourly load responsibility for the Default Supply Service provided by Supplier pursuant to this Agreement for each Customer Group in each Load Zone based upon average load profiles developed for NSTAR Electric's actual total hourly load. Appendix C, NSTAR Load Estimation and Reconciliation, attached and incorporated herein by reference, provides a general description of the estimation process that NSTAR Electric or its agent will initially employ (the "Estimation Process"). NSTAR Electric reserves the right to modify the Estimation Process in the future, provided that any such modification shall be designed to enhance the Estimation Process.

(b) In accordance with NEPOOL Rules, NSTAR Electric or its agent will report to the ISO and to Supplier, Supplier's hourly load responsibility for each Load Asset for which Supplier is providing the Default Supply Service for a Transaction. NSTAR Electric or its agent shall report to the ISO and to Supplier, Supplier's hourly-adjusted Default Supply Service loads by 1:00 p.m. Eastern Prevailing Time of the second following Business Day after each day during the applicable Delivery Term.

(c) To refine the estimates of Supplier's monthly load developed by the Estimation Process, NSTAR Electric shall reconcile the original estimate of Supplier's loads to actual customer usage based on meter reads. Appendix C, attached and incorporated herein by reference, also provides a general description of this reconciliation process.

Section 6.4 NEPOOL Market System

Supplier represents and warrants that it will be either a NEPOOL member or member of the RTO and agrees to remain as such and abide by all member obligations throughout the Term. NSTAR Electric represents and warrants that it will be either a NEPOOL member or member of the RTO and agree to remain as such and abide by all member obligations throughout the Term. As soon as possible prior to the start of the Delivery Term for a Transaction, and as required throughout such Delivery Term, NSTAR Electric shall complete an Asset Registration Letter, as currently described in NEPOOL Manual 28 Section 12, for Electrical Load and Installed Capability for Load Assets ("Registration Letter") and forward to the ISO to be entered into the NEPOOL Market System. In the Registration Letter NSTAR Electric shall assign applicable Load Asset Ownership Shares for all of its Load Assets listed in the applicable Default Supply Service to Supplier for the applicable Delivery Term. NSTAR Electric and Supplier further agree to promptly deliver to each other copies of all correspondence with the ISO or NEPOOL related to this Agreement, and/or the Default Supply Service provided hereunder.

ARTICLE 7. SECURITY

Section 7.1 Guaranty and Letter of Credit

(i) In order to secure performance by Supplier under all Transactions entered into under the Agreement, Supplier shall provide NSTAR Electric, with a written payment guarantee substantially in the form attached hereto as Appendix B and in an amount acceptable to NSTAR Electric, properly executed by Supplier Guarantor or any other guarantor acceptable to NSTAR Electric

(ii) (ii) At the request of NSTAR Electric, which such request, and the amount of such request, shall be as set forth in a Confirmation, as additional security for performance by Supplier under a specific Transaction, Supplier shall provide NSTAR Electric, within ten (10) Business Days from the execution of the Confirmation for such Transaction, an irrevocable letter of credit issued by a Qualified Bank in a form and amount acceptable to NSTAR Electric.

Section 7.2 Additional Assurance

If at any time during the Term, the credit rating assigned to the senior unsecured debt obligations (or if not available the issuer rating) of Supplier (if so rated), Supplier Guarantor or NSTAR Electric falls below "BBB-" (as assigned by S&P) or "Baa3" (as assigned by Moody's) (the "Trigger Event"), Supplier or NSTAR Electric (the "Triggering Entity") shall provide credit support to the other Party (the "Demanding Party"), within three (3) Business Days after the Demanding Party's written request therefor, in an amount equal to the Additional Assurance Amount calculated by the Demanding Party pursuant to Section 7.3 of this Agreement determined as of the date of the Trigger Event, in any of the following forms: (i) a letter of credit issued by a Qualified Bank, which will allow the Demanding Party to draw on the letter of credit in the full amount of the Additional Assurance Amount (as defined in Section 7.3) upon the

designation of an Early Termination Date, or (ii) such other credit support proposed by the Triggering Entity that is reasonably acceptable to the Demanding Party.

Section 7.3 Additional Assurance Amount

(a) For purposes of Section 7.2, if Supplier is the Triggering Entity, the “Additional Assurance Amount” shall be the amount, if positive, calculated according to the following formula for all Transactions:

$$\frac{\sum[(RV_T - CV_T)]}{N} - [PA_T]$$

where:

“ \sum ” is the summation over the entire number of Transactions.
N

“RV_T” is the replacement value of the Default Supply Service for a specific Transaction for the remainder of the applicable Delivery Term, calculated with reference to the applicable Replacement Price and the Service Forecast.

“CV_T” is the contract value of the Default Supply Service for a specific Transaction for the remainder of the applicable Delivery Term calculated with reference to the applicable Contract Service Rate and the Service Forecast (the “Contract Value”).

“PA_T” is the amount of any Additional Assurance or Letter(s) of Credit currently held by such Demanding Party.

All such amounts shall be determined by NSTAR Electric in good faith and in a commercially reasonable manner.

(b) If NSTAR Electric entity is the Triggering Entity, then the “Additional Assurance Amount” shall be the amount, if positive, calculated according to the following formula for all Transactions:

$$\frac{\sum[(CV_T - MV_T) + (ARR_T)]}{N} - [PA_T]$$

where:

“ \sum ” is the summation over the entire number of Transactions.
N

“CV_T” is the Contract Value.

“MV_T” is the market value of the Default Supply Service for a specific Transaction determined with reference to the applicable Sales Price and the Service Forecast.

“ARR_T” is the forecast value of the Auction Revenue Rights associated with the Default Supply Service for a specific Transaction or to be supplied by NSTAR Electric to Supplier, as the case may be, for the remainder of the applicable Delivery Term.

“PA_T” is the amount of any additional assurance or Letter(s) of Credit currently held by such Demanding Party.

All such amounts shall be determined by Supplier in good faith and in a commercially reasonable manner, all determined solely with respect to the NSTAR Electric Triggering Entity.

(c) For purposes of determining the Additional Assurance Amount pursuant to this Section 7.3, the quantity of Energy to be delivered in respect of Default Supply Service for a specific Transaction shall be based upon the actually Energy quantities associated with the Default Supply Service for the same period during the immediately preceding calendar year, adjusted for known changes in the load (the "Service Forecast").

(d) To the extent Additional Assurance is required pursuant to Section 7.2 hereof, either Party may request, which request shall be made not more frequently than once every 30 days, a recalculation of the Additional Assurance Amount (calculated in accordance with Sections 7.2 and 7.3 hereof) as of the request date (the "Revised Additional Assurance Amount"). In the event such recalculation differs by a positive value of at least \$250,000 from the Additional Assurance Amount or the last calculated Revised Additional Assurance Amount, the Triggering Entity shall provide additional credit support (in the form specified in Section 7.2 hereof) in an amount equal to such difference. In the event such recalculation differs by a negative value of at least \$250,000 from the Additional Assurance Amount or the last calculated Revised Additional Assurance Amount, the amount of credit support shall be reduced by such amount. The Demanding Entity shall return any such excess Additional Assurance or Revised Additional Assurance, rounded down to the nearest \$250,000.00, to the Triggering Entity, within five (5) Business Days of receipt of such request, provided that the Demanding Entity continues to possess the credit support associated with the Revised Additional Assurance Amount. If the Demanding Entity disputes the Revised Additional Assurance Amount requested by the Triggering Entity to be returned, then the Demanding Entity shall notify the Triggering Entity of the existence and nature of the dispute not later than three (3) Business Days following the receipt of the request for the Revised Additional Assurance Amount. The Parties thereafter shall promptly consult with each other in order to reconcile the two conflicting amounts. If the Parties have not been able to resolve their dispute on or before the fifth Business Day following the date that the notification is made by the Non-Triggering Entity, then the dispute shall be resolved in accordance with the provisions of Article 24, and during the pendency of such dispute the amount of credit support shall not be reduced.

ARTICLE 8. DEFAULT AND REMEDIES

Section 8.1 Events of Default

Any one or more of the following shall constitute an "Event of Default" hereunder with respect to NSTAR Electric, the Supplier or the Supplier Guarantor (the "Defaulting Party"):

(a) The failure to make, when due, any undisputed payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;

(b) Any representation or warranty made by such Defaulting Party herein, or, with respect to Supplier, by Supplier Guarantor in the Guaranty, is false or misleading in any material respect when made or when deemed made or repeated;

(c) The failure of either Party to satisfy any material obligation, including but not limited to failure to provide Products, failure to satisfy any material obligation under the NEPOOL Agreement, the NEPOOL Tariff, the Market Rules and associated Manuals, or ISO-NE Administrative Procedures, or any RTO agreement, if applicable, failure to satisfy any material ISO or NEPOOL financial assurance policies or failure to remain a member of NEPOOL or the RTO, as the case may be, throughout the Term, or the failure to satisfy any material obligation with respect to the ISO or NEPOOL that affects the Supplier's right or ability to engage in transactions at the ISO or NSTAR Electric's right or ability to engage in transactions at the ISO or RTO, as the case may be;

(d) The failure to provide or maintain the Guaranty or the Additional Assurance required pursuant to Article 7 of this Agreement;

(e) The failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default as specified above) or, with respect to Supplier, by Supplier Guarantor in the Guaranty if such failure is not remedied within three (3) Business Days after written notice; or

(f) Such Party or, with respect to Supplier, Supplier Guarantor: (i) files a voluntary petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced) (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

Section 8.2 Right of Early Termination Upon Event of Default

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the aggrieved Party (the “Non-Defaulting Party”) shall have the right to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date (“Early Termination Date”). The amount payable in respect of an Event of Default and any Early Termination of this Agreement shall be determined pursuant to Section 8.3.

Section 8.3 Remedies Upon an Event of Default: Settlement Amount

(a) Upon the occurrence of an Event of Default, the Non-Defaulting Party shall calculate a Settlement Amount. The “Settlement Amount” shall be an amount equal to the “Additional Assurance Amount” calculated by the Non-Defaulting Party in accordance with Section 7.3 hereof plus, without duplication, its total losses and costs in connection with such default, including losses and costs associated with an early termination of this Agreement, any loss of bargain, cost of funding or, at the election of such Non-Defaulting Party but without duplication and consistent with such Non-Defaulting Party’s obligation to mitigate such losses and costs, losses or costs (including employee and consultant costs and reasonable attorneys’ fees) incurred as a result of its obtaining, terminating, establishing or reestablishing any contract, hedge or other agreement in connection with such transactions or the replacement of such transactions, and any losses and costs in respect of performance (or failure to perform) under the Agreement up to the effective date of the termination. For purposes of determining the Settlement Amount pursuant to this Section 8.3(a), the applicable quantity of Default Supply Service shall be based upon the Service Forecast and the Defaulting Party shall be deemed to be the “Triggering Party”. The Non-Defaulting Party shall also have the right to pursue specific performance with respect to an Event of Default.

(b) The Non-Defaulting Party shall be entitled to accelerate all amounts owing by the Defaulting Party under this Agreement (whether or not then due) and shall be entitled to withhold and set off any amounts owed by the Non-Defaulting Party to the Defaulting Party against any such accelerated payments and any other amounts owed by the Defaulting Party to the Non-Defaulting Party, including any Settlement Amount payable as a result of any early termination of this Agreement.

Section 8.4 Notice of Payment of Settlement Amount

As soon as practicable after an Early Termination Date, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Settlement Amount. The notice shall include a written statement explaining in reasonable detail the calculation of such amount and shall indicate the underlying assumptions, quotations, prices and forecasts, used to calculate the same. The Settlement

Amount shall be paid in full by the Party owing such amount within two (2) Business Days after such notice.

Section 8.5 Obligations Following Expiration or Termination

Upon the termination or expiration of this Agreement, in addition to such rights and obligations enumerated elsewhere in this Agreement, the grant of any and all right and interest to Supplier to the Load Assets or otherwise associated with the Default Supply Service shall cease, and NSTAR Electric and Supplier shall immediately make all necessary filings with NEPOOL and the ISO and perform all other acts necessary to transfer all such rights and interests back to NSTAR Electric.

ARTICLE 9. NOTICES, REPRESENTATIVES OF THE PARTIES

Section 9.1 Notices

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. Such notice shall be sent by facsimile or electronic messaging (confirmed by telephone), courier, personally delivered or mailed, postage prepaid, to the representative of the other Party designated in this Article 9. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile or electronic messaging, (ii) when actually received if delivered by courier, overnight mail or personal delivery, or (iii) three (3) days after deposit in the United States mail, if sent by first class mail.

Notices and other communications by Supplier to NSTAR Electric shall be addressed to:

Mr. James Daly
Director, Electric & Gas Contract Administration
NSTAR Electric & Gas Corporation
One NSTAR Way NE220
Westwood, MA 02090
(781) 441-8258
(781) 441-8053 (fax)

With a copy to:

NSTAR Electric & Gas Corporation
800 Boylston Street
Boston, MA 02199
Attention: Timothy Cronin
(617) 424-2104
(617) 424-2733 (fax)

Notices and other communications by NSTAR Electric to Supplier shall be addressed to:

With a copy to:

Any Party may change its representative by written notice to the other Parties.

Section 9.2 Authority of Representative

The Parties' representatives designated in Section 9.1 shall have full authority to act for their respective principals in all technical matters relating to the performance of this Agreement. The Parties' representatives shall not, however, have the authority to amend, modify, or waive any provision of this Agreement unless they are authorized officers of their respective entities and such amendment, modification or waiver is made pursuant to Article 17.

ARTICLE 10. LIABILITY, INDEMNIFICATION, AND RELATIONSHIP OF PARTIES

Section 10.1 Limitation on Consequential, Incidental and Indirect Damages

TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER NSTAR ELECTRIC NOR SUPPLIER, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENT OR AFFILIATES, SUCCESSOR OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR ITS PARENT, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, UNDER ANY INDEMNITY PROVISION OR ANY OTHER THEORY OF RECOVERY. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, UNLESS OTHERWISE SPECIFIED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. THE PROVISIONS OF THIS SECTION 10.1 SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

Section 10.2 Indemnification

(a) Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.4, except to the extent such Claims are attributable to the other Party's negligence or willful misconduct.

(b) If any Party intends to seek indemnification under this Section 10.2 from the other Party with respect to any Claims, the Party seeking indemnification shall give the other Party notice of such Claims within fifteen (15) days of the commencement of, or actual knowledge of, such Claims. Such Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any

such Claims. The Party seeking indemnification shall not compromise or settle any such Claims without the prior consent of the other Party, which consent shall not be unreasonably withheld.

Section 10.3 Independent Contractor Status

Nothing in this Agreement shall be construed as creating any relationship between NSTAR Electric and Supplier other than that of Supplier as independent contractor for the sale of Default Supply Service, and NSTAR Electric as principal and purchaser of such Default Supply Service. Neither Party shall be deemed to be the agent of the other Party for any purpose by reason of this Agreement, and no partnership or joint venture or fiduciary relationship between the Parties is intended to be created hereby.

Section 10.4 Title; Risk of Loss

Title to and risk of loss related to the Default Supply Service shall transfer from Supplier to NSTAR Electric at the Delivery Point. Supplier warrants that it will deliver to NSTAR Electric the Default Supply Service free and clear of all Claims or any interest therein or thereto by any person or entity arising prior to the Delivery Point.

ARTICLE 11. ASSIGNMENT

Section 11.1 General Prohibition Against Assignments

Except as provided in Section 11.2 below, neither Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

Section 11.2 Exceptions to Prohibition Against Assignments

A Party may, without the other Party's prior written consent: (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, provided that such Party shall not be relieved of any obligation hereunder; (ii) transfer or assign this Agreement to an Affiliate of such Party (which Affiliate shall own or control the resources necessary to satisfy the assigning Party's obligations hereunder, and shall have a net worth and creditworthiness equal to or higher than that of such assigning Party); or (iii) transfer or assign this Agreement to any person or entity succeeding by merger or by acquisition to all or substantially all of the assets of the assigning Party (provided such person or entity shall have a net worth and creditworthiness equal to or higher than that of such assigning Party); provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof.

ARTICLE 12. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective permitted successors and assigns.

ARTICLE 13. WAIVERS

The failure of either Party to insist in any one or more instance upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights under this Agreement shall not be construed as a general waiver of any such provision or the relinquishment of any such right, except to the extent such waiver is in writing and signed by an authorized representative of such Party.

ARTICLE 14. REGULATION

Section 14.1 Laws and Regulations

Each Party shall perform its obligations hereunder in accordance with applicable law, rules and regulations. The rates, charges, terms and conditions contained in this Agreement are not subject to change under Sections 205 or 206 of the Federal Power Act, as either section may be amended or superseded, absent the mutual written agreement of the Parties. It is the intent of this Section that, to the maximum extent permitted by law, the rates, charges, terms and conditions of this Agreement shall not be subject to such change. Absent the agreement of the Parties to the proposed change, the standard of review for changes to the rates, terms, and/or conditions of service of this Agreement proposed by a Party, a non-Party, or the Commission, acting sua sponte, shall be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the “Mobile-Sierra” doctrine).

Section 14.2 NEPOOL Requirements

This Agreement is subject to all NEPOOL Rules. If, during the term of any Transaction, a NEPOOL Rule is terminated, modified or amended in a manner that would eliminate or materially alter a material right or obligation of a Party hereunder, the Parties agree to negotiate in good faith in an attempt to amend this Agreement to embody the Parties’ original intent and economic effect. The intent of the Parties is that any such amendment reflect, as closely as possible, the intent, substance and effect of the NEPOOL Rule being replaced, modified or amended as such NEPOOL Rule was in effect prior to such termination, modification or amendment, provided that such amendment shall not alter: (i) the obligations of the Parties pursuant to Article 4 or 5 of this Agreement, or (ii) the Contract Rate.

Section 14.3 Uniform Disclosure Requirements

On a calendar quarterly basis, Supplier shall provide NSTAR Electric information pertaining to power plant emissions, fuel types, labor information and any other information to the extent required by NSTAR Electric to comply with the uniform disclosure requirements contained in 220 CMR 11.00 and any other such disclosure regulations which may be imposed upon NSTAR Electric during the Term, as such disclosure requirements apply to Default Supply Service provided by Supplier pursuant to this Agreement.

Section 14.4 Competitive Affiliates of Supplier

If a Competitive Affiliate of Supplier exists during the Term, Supplier shall not disclose any information received from NSTAR Electric regarding the service provided hereunder, or the customers served under this Agreement, nor shall Supplier assign any interest hereunder, to any such Competitive Affiliate. The term “Competitive Affiliate” shall be as defined in 220 C.M.R 12, and shall refer to an entity that is engaged in the sale of electricity to retail customers in Massachusetts.

Section 14.5 Sales Tariffs

Each Party agrees that if it seeks to amend any applicable power sales tariff during the Term, such amendment will not in any way materially and adversely affect this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement.

ARTICLE 15. INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the Commonwealth of Massachusetts, without giving effect to its conflict of laws provisions.

Each party irrevocably waives any right to trial by jury in any judicial proceeding related to this Agreement.

ARTICLE 16. SEVERABILITY

If any provision or provisions of this Agreement shall be held invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby; and the Parties hereby agree to effect such modifications to this Agreement as shall be reasonably necessary in order to give effect to the original intention of the Parties.

ARTICLE 17. MODIFICATIONS

No modification to this Agreement will be binding on any Party unless it is in writing and signed by all Parties.

ARTICLE 18. REPRESENTATIONS AND WARRANTIES

Supplier and NSTAR Electric each represent and warrant to the other that:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) It has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement, subject to the provisions of Section 3.2 of this Agreement;

(c) The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

(d) This Agreement, and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any equitable defenses;

(e) It is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it, which would result in it being or becoming bankrupt; and

(f) There is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement.

(g) Each Party is a “forward contract merchant” and this Agreement and each Transaction is a “forward contract” as such terms are defined in the United States Bankruptcy Code.

ARTICLE 19. COUNTERPARTS

This Agreement (and any Confirmations relating to specific Transactions hereunder) may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

ARTICLE 20. HEADINGS; CONSTRUCTION

Article and Section headings used throughout this Agreement are for the convenience of the Parties only and are not to be construed as part of this Agreement. For purposes of this Agreement, the

term "including" shall mean "including, without limitation" and the terms "herein", "hereunder", "herewith" and "hereof" are references to this Agreement, taken as a whole. The Parties acknowledge that this Agreement is the result of joint discussion and negotiation. Each Party contributed to the substantive provisions hereof and no Party can be identified as the sole drafter hereof.

ARTICLE 21. CONFIDENTIALITY

All Confidential Information shall be held and treated by the Parties and their agents in confidence, used solely in connection with this Agreement, and shall not, except as hereinafter provided, be disclosed without the other Party's prior written consent. Notwithstanding the foregoing, this Agreement may be disclosed to a third party: (a) for the purpose of effectuating the supply, transmission and/or distribution of Energy or any other product or service to be delivered pursuant to this Agreement, (b) to regulatory authorities of competent jurisdiction, or as otherwise required by applicable law, regulation or order, and (c) to third parties in connection with a merger, acquisition/disposition and financing transactions, or audit, provided that any such third party shall have signed a confidentiality agreement with the disclosing party containing customary terms and conditions that protect against the disclosure of the Confidential Information, that strictly limit the recipient's use of such information only for the purpose of the subject transaction and that provide for remedies for non-compliance. In the event that either Party ("Disclosing Party") is requested or required to disclose any Confidential Information pursuant to subsections (a) and (b) above, the Disclosing Party shall provide the other Party with prompt written notice of any such request or requirement, so that the other Party may seek an appropriate protective order, other confidentiality arrangement or waive compliance with the provisions of this Agreement. If, failing the entry of a protective order, other confidentiality arrangement or the receipt of a waiver hereunder, the Disclosing Party, in the opinion of counsel, is compelled to disclose Confidential Information, the Disclosing Party may disclose that portion of the Confidential Information which the Disclosing Party's counsel advises that the Disclosing Party is compelled to disclose; provided, that any such disclosure includes a request for confidential treatment of this Agreement and the request for redaction of the Confidential Information from the copies of this Agreement which are placed in the public record or otherwise made available. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. In addition, to the foregoing, the disclosing Party shall indemnify, defend and hold harmless the other Party from and against any Claims, threatened or filed, and any losses, damages, expenses, attorneys' fees or court costs incurred by such Party in connection with or arising directly or indirectly from or out of the disclosing Party's disclosure of the Confidential Information to third parties except as permitted by subsections (a), (b) or (c) above.

ARTICLE 22. AUDIT

Each Party has the right, upon reasonable advance notice and at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If requested, a Party shall provide to the other Party statements evidencing the quantities of Energy delivered at the Delivery Points. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Prime Rate from the date the overpayment or underpayment was made until paid.

ARTICLE 23. SURVIVAL

The provisions of Article 5, Sections 3.3, 8.3, 8.4, Article 10, Section 14.4, and Articles 21, 22 and 24 hereof, and to the extent any Section of this Agreement specifies by its terms that it survives termination, such Section shall survive the termination or expiration of this Agreement.

ARTICLE 24. DISPUTE RESOLUTION

In the event of any dispute among the Parties arising out of or relating to this Agreement, the Parties shall refer the matter to their duly authorized officers for resolution. Should such officers fail to resolve the dispute within five (5) days after such referral, either Party may seek such further legal recourse as such Party sees fit, provided that for the purposes of any litigation of such disputes the Parties agree to submit to the exclusive jurisdiction of the federal courts in the Commonwealth of Massachusetts.

ARTICLE 25. NO THIRD PARTY BENEFICIARIES

There are no third party beneficiaries to this Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on their behalf as of the date first above written.

[NSTAR ELECTRIC]

By: _____
Name: Ellen K. Anglely
Title: Vice President, Energy Supply & Procurement

[SUPPLIER]

By: _____
Name:
Title:

APPENDIX A MASTER POWER SUPPLY AGREEMENT
CONFIRMATION

This Transaction Confirmation agreed to on _____ among [_____] (“NSTAR Electric”) and _____ (“Supplier”) regarding the sale/purchase of the Default Supply Service specified herein under the terms and conditions under the Master Power Agreement, dated _____, 2006 (the “Master Agreement”), between NSTAR Electric and Supplier, as specified and modified herein:

1. Default Supply Service Matrix:

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
TBD	TBD	TBD	TBD	TBD	TBD

2. Contract Rate(s):

Award Block	Customer Group	Load Zone	TBD	TBD	TBD	TBD	TBD	TBD
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

3. Delivery Point(s):

The point or points on the PTF within the following Load Zones, as appropriate for delivery to each customer in each Customer Group in each Load Zone taking service pursuant to the Default Service Tariff:

Load Zone	Location ID

If, prior to the above Conclusion Date, the ISO utilizes the Locational Marginal Prices for the Nodes within each Load Zone (“Nodal Pricing”) rather than the Zonal Prices for each Load Zone (“Zonal Pricing”) for settling energy purchased in the Energy Markets, the points shall be the Node or Nodes, as defined by NEPOOL, appropriate for delivery to each customer in each Customer Group. For any period and in any location that the ISO permits the holder of the Ownership Share of the Load Asset to choose between Nodal Pricing and Zonal Pricing, Supplier shall have the right to the applicable Nodes or Load Zones.

4. RPS Requirement: For the purposes of this Transaction the amount set forth in (b) of the definition of “RPS Requirement” shall be _____, rounded up to the whole MWh for the Delivery Term.

5. Modifications to the Master Agreement: **[To be determined for each Transaction.]**

6. Regulatory Approval

The obligations of NSTAR Electric and Supplier Seller under this Transaction Confirmation and the Master Agreement with respect to any Transaction having a Delivery Term of greater than twelve (12) months are subject to the fulfillment and satisfaction of the following conditions, which may be waived (in whole or in part) only in writing by NSTAR Electric: The issuance by the Massachusetts Department of

Telecommunications and Energy (the “MDTE”) of an order or approval reasonably satisfactory to NSTAR Electric, in its sole and complete discretion, approving: (i) this Transaction Confirmation and the Master Agreement, pursuant to G.L. c. 164, § 94A; and (ii) the Default Service tariffs that are implemented as a result of this Transaction Confirmation and the Master Agreement, pursuant to G.L. c. 164, § 94. NSTAR Electric agrees to act expeditiously to obtain the MDTE’s approval within five (5) business days of the filing of the Agreement with the MDTE. Following receipt of such order, NSTAR Electric shall issue a written notice to Supplier stating the aforementioned condition has been satisfied, and stating the date for Commencement of the Default Supply Service. In the event that the MDTE approval is not obtained within the five (5) business day period set forth in this paragraph, this Transaction Confirmation shall be null and void and of no legal effect.

7. Security: [To be determined for each Transaction.]

8. Ratification of the Terms and Conditions of the Agreement.

Except as expressly amended or waived by this confirmation letter, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

9. Counterparts.

This confirmation letter may be executed in counterparts, all of which together shall constitute one and the same instrument. This confirmation constitutes part of and is subject to the terms and provisions of the Master Agreement.

10. Defined Terms:

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

[NSTAR ELECTRIC]

By: _____
Name:
Title:

[SUPPLIER]

By: _____
Name:
Title:

APPENDIX C. NSTAR LOAD ESTIMATION AND RECONCILIATION

1. General Description

Each Business Day, NSTAR Electric calculates its territory loads for every hour of the previous day(s) using actual hourly generation and interchange metered values. The territory loads are defined as the total customer load plus non-PTF transmission and distribution losses for the Load Zones within each service territory (Boston Edison NEMA, Boston Edison SEMA, Commonwealth (SEMA) & Cambridge (NEMA)). The territory loads are then input to the Load Estimation process.

Load Estimation at NSTAR Electric is billing account based. For each active account for the day to be estimated, a daily billing load is developed. This is accomplished in one of two ways. First, if the account has been billed, the latest bill information (account, number of billing days, total kWh, supplier ID) is used to compute a daily average use (total kWh/number of billing days). Second, if the account is active but has not been billed (new account), a daily rate average is used. The daily rate average is based on the past 24 months billing for all customers by rate.

The billing file used in this process is a SAS dataset created each day upon the completion of nightly cycle billing through the Customer Information System (“CIS”). This SAS dataset combines three of the NSTAR Electric’s four billing systems, computer billed accounts, time-of-use billed accounts, and special ledger accounts, into one file. A fourth billing system, municipal lighting, is incorporated by the load estimation process. The SAS dataset and municipal lighting files include the Load Zone assignment for each account.

Once daily billing loads are developed using the CIS data, line losses are added to each account. The losses are by rate code and are based on NSTAR Electric studies. Adding the line losses to the daily billing load for each account creates the daily load for estimation per account.

Load shapes are applied to the daily load for estimation per account. The load shapes are based on load research data and are broken into weekday load shape and weekend load shape. The application of the load shape distributes the daily load for estimation for each account over 24 hours.

An enhancement to the duly estimation of TOU accounts has been incorporated involving two alternatives to the above methodology if account specific historical interval data is available. First, actual account specific interval data is used for a “Proxy Day” from the previous year; a “Proxy Day” is a day from the previous year that is similar in shape and peak magnitude to the day being estimated. If data is not available for the Proxy Day, average Saturday, Sunday, or weekday interval data for the specific account is used if enough historical data is available to develop these average profiles. In both cases, the appropriate hourly line loss is calculated.

Telemetered accounts (when available), and the accounts for which a Proxy Day or account specific average weekend/weekday are available, are eliminated at this point. These accounts are added back later in the process.

The remaining account loads for estimation are aggregated by supplier ID by Load Zone (line losses for telemetered Proxy Day and account specific average load shape accounts are included here). Hourly ratios are now developed for each supplier based on the supplier’s estimated total load to the total estimated load within each Load Zone.

Loads for telemetered, Proxy Day, and account specific load shape accounts are subtracted from the total territory load (for each Load Zone) for purposes of estimation. The hourly supplier ratios developed from CIS data are applied to the net territory load (for each Load Zone) to calculate each supplier’s contribution to the net Load Zone load. Metered wholesale load is then added back into the total.

Loads for telemetered, Proxy Day and account specific load shape accounts are then added back into the appropriate supplier's load asset.

An enhancement to the daily estimation of TOU accounts has been incorporated involving two alternatives to the above methodology if account specific historical interval data is available. First, actual account specific interval data is used for a "Proxy Day" from the previous year; a "Proxy Day" is a day from the previous year that is similar in shape and peak magnitude to the day being estimated. If data is not available for the Proxy Day, average Saturday, Sunday, or weekday interval data for the specific account is used if enough historical data is available to develop these average profiles. In both cases, the appropriate hourly line loss is calculated.

Final estimated supplier values (by Load Zone) are then posted to the ISO Reporting Application ("IRA") System for transmission to ISO-NE.

2. Reporting Of Suppliers' Loads To The ISO

The total hourly load estimates for each supplier's Load Assets are reported to the ISO, in accordance with the ISO standards, for use in the ISO wholesale settlement process.

3. Monthly Reconciliation

Under Market Rule 1, the ISO's meter adjustment process requires the re-submittal of hourly data. Territory loads (by Load Zone) may change due to corrections to hourly generation and interchange metered values. Note: the day after reporting of loads may have required directly metered values to be estimated because of equipment / communication problems. These changes will be submitted to the ISO within a 45-day period following the ISO's bill for the month. For example, if the ISO issues its March 2003 bill on April 15, Participants must submit revised hourly data for interchange metering by May 30, 2003. The revised hourly meter data will result in changes to the NSTAR Electric's calculated hourly territory load values (Boston Edison NEMA, Boston Edison SEMA, Commonwealth (SEMA) & Cambridge (NEMA)). Revised territory loads are then input to the Load Reconciliation process.

Suppliers' estimated loads must be reconciled to their customers' metered usage and submitted to the ISO 80 days after the ISO's bill for the month. Each distribution company uses customers' actual meter readings, to the extent that they are available, to re-estimate each supplier's hourly loads (by Load Zone) and report the appropriate load assets to the ISO.

The reconciliation methodology is same as the load estimation methodology (actual billing data used instead of latest billing data).

For time of use customers, the actual interval data for the calendar month will be used for reconciliation when available.

Each supplier's reconciled hourly loads are reported to the ISO for resettlement.

4. ICAP

Market Rule 1 also requires ICAP contributions (by Load Asset) to be calculated each day based on the previous power year's historical peak. Reference Market Rule 1 and related Market Manuals for specific details.